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INFORMATION REPORT

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COUNTRY China
SUBJECT Economic Information: Kwangsi Province

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1. The main exports of Kwangsi Province are agricultural. The most important export is tung oil which is produced in quantity in the southwest part of the province. Tea seed oil is also exported in bulk, and the "China Vegetable Oil Company" is tending to monopolize this export.
2. Sugar is exported but the exported amount of this product has been much reduced in comparison with the pre-World War II output. The large sugar refinery at Kueihhsien (109-40,23-02) was completely destroyed during the war and although a new refinery has just been opened at Lungchouhsien (106-56,22-22), the output is small. Present production depends upon small-scale village refineries.
3. Tin and, to a lesser extent, silver are being mined; the tin is exported through devious channel to Hong Kong and Macao. Timber in the form of firewood and charcoal is another important export, and Hong Kong obtains the bulk of its firewood from Kwangsi. A good quality of steam-coal is mined in the vicinity of Liuchouhsien (109-16,24-18) and is exported to Hengyanghsien (112-35,26-56) and Canton. The salt trade is one of some importance in Kwangsi and, although some of the salt is mined locally, the bulk is imported from the Peihai (109-05,21-24) area and then exported to Indochina, Szechuan and Yunnan.

751.4 781L
726.5 781L
726.1 781L
731.2 781L
732.18 781L
735.8 781L
735.1 781L
746 781L
723 781L
750 781L
561.1 781L

4. In an effort to cut down on the import of piece goods, a cotton mill is being constructed in Nanning (108-18,22-48) for which raw cotton will be imported.
5. Normally Kwangsi produces a surplus of grain which is exported to Canton. There seems to be a definite effort to increase the agricultural output of this area, and the Farmers' Bank has extended loans for the purchase of fertilizer, seeds and implements. The China Relief Mission has several foreigners engaged in supervising the development of production by mechanization, and tractors and other mechanized agricultural machinery have been imported. In many districts land which had at one time been cultivated has been allowed to become fallow as a result of economic and labor difficulties. Although the present agricultural position throughout Kwangsi is poor, it is not without prospects of improvement in the immediate future.

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6. There are no political activities of note within Kwangsi Province, which is entirely in the hands of LI Tsung-jen, PAI Ch'ung-hsi and their henchman, Kwangsi Provincial Governor WANG (HUANG Hsu-ch'u). There is little or no Kuomintang influence nor are there any Chinese Communist activities that are noticeable.
7. There is some banditry in the southern part of Kwangsi, but considerably less than in Kwangtung Province. The Kwangsi garrison forces are composed of local troops which are well equipped. Recently there has been some disturbance on the Indochina-Kwangsi border where Viet Minh forces have been driven across the border south of Lungchouhsien by the French.
8. Communications are remarkably good; in the south travel is by waterways, in the central and northern part of Kwangsi by road and rail. The railway at present is operating between Liuchouhsien and Hengyanghsien via Kueilinhsien (110-10,25-20). The government authorities plan to extend it north to Kueiyanghsien (112-32,25-49), south to Nanning, and to Kwangchouwan (110-,20-). These extensions are under construction, and it is expected that they will be completed within three to five years. The present section is in very much better shape than the Hengyanghsien-Canton section of the Hankow line. Liuchouhsien and Kueilinhsien are connected with Canton and Hong Kong by air.
9. Wuchou (111-19,23-28) is conveniently located; the city has direct connection with Canton, Hong Kong and Macao by water and is therefore strategically placed for smugglers. It is not surprising that native products from Kwangsi, Kweichow, Szechuan and Yunnan Provinces, pass through this port.

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